

CONFIDENTIAL*Ukrain*

11 February 1987

MEMORANDUM FOR: C/ESG

FROM: D/FBIS

SUBJECT: FY 1987 Modernization Budget

1. Per our earlier discussions and in hopes of generating a common understanding about your current funding situation, I have established the FY 87 non-personal services baseline that follows.

	<u>AFS</u>	<u>FIELD COLLECTION</u>	
POST TAXES			25X1
PAY BACK			
TOTAL			

These funds are approved for those activities you delineated during our discussions (see attached). While you are authorized to manipulate the funds within the two major categories; i.e., AFS and FIELD COLLECTION, I would like to be appraised prior to any shifting between categories or the initiation of any activity this year that would affect the outyear funding profile of the program. The approved outyear profile is as stated in the FY 1988 Congressional Budget, that is,

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	
AFS						25X1
FIELD COLLECTION						

2. In looking at the list of items on the attached, I would note that there appears to be a little flexibility. That is, I note a couple of items that do not necessarily have to be fully funded in FY 1987. I think for instance the [] will not be billed to the Gov't this fiscal year. Given we are starting so late, I do not think the entire cost of the ICC Console will be needed this year nor do I believe the entire [] is required. I think this flexibility should be sufficient for you to cover a few things which are not on your list.

25X1

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3. I expect to continue the dialogue about the outyears so that we can establish baseline priorities, funding profiles and reasonable alternatives given the realities of the budget process. It might mean making some hard decisions and developing strategies that are politically as well as economically sound. Once we do however, I will update this memo to capture and reflect those decisions.



25X1

Attachments

cc: C/E&PS

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